



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

MEMORANDUM NO. M-2015- 022

TO : ALL BANKS AND NON-BANKS WITH QUASI-BANKING (NBQBs) FUNCTIONS

Subject : Collection of the Annual Supervisory Fees (ASF) for the Year 2015

Pursuant to Section X901.1 (2008 – X608.1) and 4901.1Q (2008 – 4652Q) of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORBNFI), respectively, as amended by Circular No. 791 dated 3 April 2013, the following guidelines shall govern the computation and collection by the Bangko Sentral Ng Pilipinas (BSP) and the payment by Banks and NBQBs of the 2015 ASF.

1. Computation of ASF for 2015

The ASF is based on the Average Assessable Assets (AAA) of the preceding year multiplied by the applicable assessment rates approved by the Monetary Board as follows:

Type of Financial Institution	Applicable Rate
Universal/Commercial Banks	1/28 of 1%
Thrift Banks	1/28 of 1%
Rural/Cooperative Banks	1/40 of 1%
NBQBs	1/28 of 1%

The AAA of the preceding year is derived from the reports¹ submitted by the bank/NBQB to the BSP in compliance with the standards and requirements prescribed under existing regulations.

In case of a merger or consolidation, the assets of the covered institutions prior to the merger or consolidation as well as the assets of the newly formed institution shall be considered in determining the AAA.

¹ FRP for banks, CSOC for NBQBs, and FRPTI for banks and NBQBs with Trust functions

The collection of the 2015 ASF shall take into consideration events subsequent to the collection of the 2014 ASF, particularly for submitted amendments to the prescribed reports used in deriving the AAA that would warrant a recomputation of the 2014 ASF. In such cases, the resulting over- or under-payment of the 2014 ASF shall be deducted/added to the 2015 ASF.

Sample computations to illustrate potential permutations of the above described scenarios are provided in Annex A.

2. Notification of Amount Due for 2015 and Mode of Payment

The BSP Supervisory Data Center (SDC) shall send a billing notice in May 2015 to the Bank/NBQB for its ASF payment indicating, among others, the computation of the ASF due, including the 2% creditable withholding tax (CWT) thereon, if applicable, the period covered by the ASF and the specific date when the ASF will be debited from the Bank's/NBQB's Demand Deposit Account (DDA) with the BSP.

The BSP will not accept checks as mode of ASF payment. Banks/NBQBs, upon receipt of the ASF billing notice from the BSP, should maintain adequate balance in their DDA to cover the ASF and other daily obligations and, when necessary, make corresponding deposits to fully cover said obligations. In case of deficiency, the provisions on DDA deficiency in Sections X901 (2008 – X608.1) and 4901.1Q (2008 – 4652Q) of the MORB and MORNBF, respectively, as amended, shall apply.

3. Exceptions Noted on Billing Notice of 2015 ASF

Upon receipt of the BSP Notice of ASF billing, a Bank/NBQB is encouraged to check the accuracy of the billing and to submit any of the noted exceptions therein not later than ten (10) days before the specified date of collection/debit to DDA as indicated in the billing notice. The said exceptions, together with supporting documents, shall be submitted to:

The Director
Supervisory Data Center (SDC)
Bangko Sentral Ng Pilipinas
11th Floor, Multi-Storey Building
BSP Complex, A. Mabini Street
Malate, Manila 1004

Any exceptions received after the cut-off date or any exceptions not duly substantiated with documents before the cut-off date will be evaluated and considered in the computation of the ASF for the immediately succeeding year.

4. Withholding Tax on 2015 Supervisory Fees

The following shall apply to Banks/NBQBs covered by Sections M and N of Bureau of Internal Revenue (BIR) Revenue Regulations (R.R.) No. 2-98, as amended by R.R. No. 17-2003, and R.R. No. 2-2006:

- 4.1 Within seven (7) days from date of this Memorandum, the concerned Bank/NBQB shall submit a written representation to BSP, (at the address indicated in Section 3 hereof), on whether or not it is included among the institutions covered under Sections M or N of R.R. No. 2-98, as amended. If available, a certified true copy of the BIR Notice classifying it under Section M of R.R. No. 2-98, as amended, shall be attached to the written representation. The submission of the written representation or BIR Notice shall no longer be necessary if previously transmitted and received by the BSP in connection with previous ASF assessments.
- 4.2 The ASF, net of the 2% CWT, shall be debited from their respective DDAs on the specified date referred to in the notice of ASF billing under Section 2 above.
- 4.3 Three (3) original signed copies of BIR Form No. 2307 Certificate of Creditable Tax Withheld at Source, which exclusively pertain to the withholding on ASF shall be submitted to the SDC at the address provided in Section 3 above on or before 30 September 2015. The BIR Form No. 2307 shall accurately indicate, among others, the following details:
 - 4.3.1 Payee: Bangko Sentral ng Pilipinas
 - 4.3.2 Tax Identification Number: 000-354-790-000
 - 4.3.3 Address: A. Mabini St. corner P. Ocampo Sr. St.,
Malate, Manila
 - 4.3.4 Zip Code: 1004
 - 4.3.5 The BIR-registered name of the payor-bank/-NBQB, as exactly indicated in the BIR Certificate of Registration (BIR Form No. 2303) of the Bank/NBQB.
 - 4.3.6 the amount of income payment pertaining to the gross ASF
 - 4.3.7 the tax withheld
 - 4.3.8 the period of tax return.

Furthermore, the BIR Form No. 2307 - Certificate of Creditable Tax Withheld at Source covering the withholding on ASF should **not** include other transactions with BSP and should pertain exclusively to the ASF. If the concerned Banks/NBQBs have other transactions with BSP, a separate BIR Form 2307 for the transaction/s shall be provided to BSP.

4.4 In case of failure of concerned Bank/NBQB to submit the duly accomplished forms within the deadline stated above or if such forms contain errors and discrepancies that would render the BIR Form No. 2307 invalid for claiming tax credits, the BSP shall be constrained to immediately debit an amount equivalent to the 2% CWT from the DDA of Banks/NBQBs concerned, with no obligation on the part of the BSP to reimburse said amount. In case of DDA deficiency, the provisions in Sections X901.1 (2008-X608.1) and 4901Q.1 (2008-4652Q) of the MORB and MORNBF, respectively, as amended, shall apply.

This Memorandum shall take effect immediately.

For strict compliance.


NESTOR A. ESPENILLA, JR.
Deputy Governor

06 May 2015

Annex A

Scenarios for computation of 2015 Annual Supervisory Fee (ASF)

Amounts in Thousand Pesos

1. Consolidation: Two or more entities combine to form a new single entity. The original entities cease operations after the new entity starts its operation

Scenario A - RB A and TB B consolidated in Feb 2015 to form a new TB C. The assessment of the 2015 ASF is on May 2015

Since the consolidation was prior to the assessment for 2015 ASF, the AAA of the two banks in 2014 will be combined and the TB rate will be applied

2014 FRP Asset Balances			
	RB A	TB B	TB C
Jan		164,658,792	
Feb		163,861,845	
Mar	21,928,504	165,311,226	
Apr		153,357,155	
May		154,301,374	
Jun	22,295,142	168,488,963	
Jul		170,373,352	
Aug		170,278,229	
Sep	22,320,467	168,700,764	
Oct		168,186,770	
Nov		177,710,889	
Dec	22,383,648	192,866,281	
Sum of Assets	88,927,762	2,018,095,640	
No. of reporting periods	4	12	
Average Assessable Assets	22,231,940	168,174,637	190,406,577
ASF rate for TB (1/28 of 1%)			0.000357143
ASF for 2015 for TB C			68,002

Scenario B - RB X and TB Y consolidated in November 2014 to form a new TB Z.

The 2014 AAA of RB X as reported in its FRP for 3 quarters will be combined with the 2014 AAA of TB Y and the 2014 AAA of TB Z and the TB rate will be applied

2014 FRP Asset Balances			
	RB X	TB Y	TB Z
Jan		174,949,967	
Feb		174,103,210	
Mar	20,638,592	175,643,177	
Apr		162,941,977	
May		163,945,210	
Jun	20,983,663	179,019,523	
Jul		181,021,687	
Aug		180,920,618	
Sep	21,007,498	179,244,562	
Oct		178,698,444	
Nov			199,705,942
Dec			219,676,536
Sum of Assets	62,629,754	1,750,488,375	419,382,478
No. of reporting periods	3	10	2
Average Assessable Assets	20,876,585	175,048,837	209,691,239
ASF rate for TB (1/28 of 1%)			405,616,661
ASF for 2015 for TB Z			0.000357143
			144,863

2. Merger: One entity absorbs another entity and continue to operate as the surviving entity while the absorbed entity ceases to operate

Scenario C - RB D and TB E merged in February 2015 with TB E as the surviving entity

The 2014 AAA of RB D as reported in its FRP for 4 quarters will be combined with the 2014 AAA of TB E and the TB rate will be applied

2014 FRP Asset Balances		
RB D	TB E	Total
Jan	154,367,618	
Feb	153,620,480	
Mar	23,218,416	154,979,274
Apr		143,772,333
May		144,657,539
Jun	23,606,621	157,958,403
Jul		159,725,018
Aug		159,635,840
Sep	23,633,436	158,156,966
Oct		157,675,097
Nov		173,442,607
Dec	23,700,334	187,318,016
Sum of Assets	94,158,806	1,905,309,189
No. of reporting periods	4	12
Average Assessable Assets	23,539,702	158,775,766
ASF rate for TB (1/28 of 1%)		0.000357143
ASF for 2015 for TB E		65,113

Scenario D - RB V and TB W merged in November 2014 with TB W as the surviving entity

The 2014 AAA of RB V as reported in its FRP for 3 quarters will be combined with the 2014 AAA of TB W and the TB rate will be applied

2014 FRP Asset Balances		
RB V	TB W	Total
Jan	185,241,141	
Feb	184,344,575	
Mar	24,508,328	185,975,129
Apr		172,526,800
May		173,589,046
Jun	24,918,100	189,550,084
Jul		191,670,021
Aug		191,563,007
Sep	24,946,404	189,788,360
Oct		214,734,764
Nov		236,208,240
Dec		255,104,899
Sum of Assets	74,372,832	2,370,296,066
No. of reporting periods	3	12
Average Assessable Assets	24,790,944	197,524,672
ASF rate for TB (1/28 of 1%)		0.000357143
ASF for 2015 for TB W		79,398

3. Amendment of reports used in the computation of ASF

Scenario E - RB E amended its Dec 2013 FRP in Feb 2015

The 2014 ASF will be recomputed and the resulting under/(over) collection will be added/(deducted) from the 2015 ASF

Computation of 2015 ASF	
	RB E 2014 FRP Asset Balances
Mar	19,864,645
Jun	20,196,776
Sep	20,219,717
Dec	20,276,952
Sum of Assets	80,558,090
No. of reporting periods	4
Average Assessable Assets	20,139,522
ASF rate for RB (1/40 of 1%)	0.00025
ASF for 2015	5,035
Under/(Over) Collection of 2014 ASF*	320
Total ASF for 2015	5,355

*Recomputation of 2014 ASF		
	RB E 2013 FRP Asset Balances	
	Original	Amended
Mar	18,522,548	18,522,548
Jun	19,605,793	19,605,793
Sep	20,644,772	20,644,772
Dec	21,484,407	21,883,458
Sum of Assets	80,257,520	80,656,571
No. of reporting periods	4	4
Average Assessable Assets	20,064,380	20,164,143
ASF rate for RB (1/40 of 1%)		0.00025
Recomputed ASF for 2014		5,041
ASF collected for 2014		4,721
Under/(Over) Collection		320